

NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

In the Matter of the Arbitration Between

ERVIN L. KNUTSON

Claimant

and

GEORGE WASSON AND HEINER & STOCK, INC.

Respondents

CASE NO. 89-02588

CASE SUMMARY

In a claim filed with the NASD on or about September 18, 1989, Claimant Ervin L. Knutson ("Claimant") alleged in Count I that Respondents George Wasson ("Wasson") and Heiner & Stock, Inc. ("Heiner") (collectively as "Respondents") failed to execute an order to sell 15000 shares of Monte Cristo Corporation and purchase 56000 shares of Ionic Controls, Inc. in a timely manner. Claimant in Count II alleged that Respondents recommended an unsuitable purchase of Sports Marketing Stock in his IRA account. Claimant alleged in Count III that Respondent Wasson failed to forward the proceeds of the sale of options in Phillips Petroleum.

In its answer and cross-claim filed with the NASD on or about January 30, 1990 Respondent Heiner denied the allegations of Claimant. Respondent Heiner affirmatively stated that any damages incurred by Claimant in relation to the sale of the Monte Cristo Corporation stock and purchase of Ionic Controls was a result of Claimants negligence; that Claimant assumed the risk in purchasing Sports Marketing Stock; and denies any knowledge of the communications between Claimant and Respondent Wasson. In its cross claim asserted against George Wasson, Respondent Heiner seeks indemnification.

Respondent Wasson did not file an answer to the Statement of Claim or a Response to the Counterclaim of Respondent Heiner.

RELIEF REQUESTED

Claimant requested an award in the total amount of \$4,330.00 plus interest *and 14,650 share of Ionic Control Stock.*

Respondent Heiner requested that the Statement of Claim be dismissed or in the alternative, in the event an award is entered against it that it be awarded indemnification from Respondent Wasson, costs and expenses.

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AWARD

On Thursday, July 26, 1990 in Minneapolis, Minnesota during a hearing lasting two (2) sessions, the undersigned arbitrator heard the controversy between the parties as set forth in submissions to arbitration signed on August 31, 1989 by Claimant Ervin L. Knutson, on January 29, 1990 by Randall R. Heiner on behalf of Respondent Heiner & Stock, Inc. Respondent George Wasson did not properly execute a submission to arbitration. However, Respondent Wasson was required to submit to arbitration pursuant to Section 12 of the NASD Code of Arbitration Procedure.

Having considered the pleadings, the testimony, and the evidence presented at the hearing, I have decided in full and final resolution of the issues submitted for determination as follows:

1. Count I of the Statement of Claim wherein, Claimant requested damages in the amount of \$330.00, shall be and hereby is denied in its entirety;
and the return of 14,650 shares of Sonic Control Stock
2. Respondents Heiner & Stock, Inc. and George Wasson shall be and hereby are jointly and severally liable for and shall pay to Claimant the sum of Two Thousand Dollars (\$2,000.00) as damages on Count II of the Statement of Claim;
3. Interest of Three Hundred Dollars (\$300.00) is awarded on the above stated sum, for which Respondents are jointly and severally liable;
4. Respondent George Wasson shall be and hereby is liable for and shall pay to Claimant the sum of Two Thousand Dollars (\$2,000.00) as damages on Count III of the Statement of Claim;
5. Interest of Three Hundred Dollars (\$300.00) is awarded on the above stated sum which shall be paid by Respondent Wasson;
6. The cross-claim of Respondent Heiner & Stock against Respondent George Wasson shall be and hereby is denied in its entirety;
7. Each party shall bear its own costs and expenses incurred in this matter not specifically enumerated herein; and

8. Pursuant to Section 43(c) of the Code of Arbitration Procedure, the National Association of Securities Dealers, Inc. shall retain as forum fees, the \$200.00 filing fee previously deposited with the NASD by the Claimant Ervin L. Knutson. Respondents shall be jointly and severally liable for and shall pay to the NASD \$200.00 as additional forum fees and shall directly reimburse Claimant the \$200.00 which was retained by the NASD.

Dated: 3-8-90

/S/

Presiding Arbitrator

Cassandra Mihalchick, Esq.
Cassandra Mihalchick, Esq.